NICO Asset Managers

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WEEKLY MARKET UPDATE

Week ending 11 July 2025

1. **Money Market**

   Government Securities

   The Government Treasury Bills auction held during the week raised a total of K25.87 billion from total applications of K25.87 billion, resulting in a nil rejection rate. The average yields for the 91 days, 182 days and 364 days tenors were 16.00%, 16.00% and 26.00% respectively (Previous week: 91 days: 16.00%, 182 days: 20.00%, and 364 days: 26.00%). The auction on various Treasury Notes during the week in review had no applications, leading to no funds being raised. Total maturities for the week stood at K82.16 billion, resulting in a net liquidity inflow of K56.29 billion. (*Source: RBM*).

2. **Interbank Market**

   Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of minus K1.96 billion from an average of K23.86 billion in the previous week. The volume on daily interbank overnight borrowing improved to an average of K63.13 billion at 23.98% (Previous week: K46.40 billion at 23.98%). A total of K341.30 billion was accessed on the Lombard window at an average rate of 26.2%. (Previous week: K471.60 billion at an average rate of 26.2%). (*Source: RBM*)

3. **Stock Market**

   The MASI closed the week at 350,875.20 points (previous week: 333,128.04 points), while the Domestic Share Index (DSI) settled at 265,426.83 points (previous week: 249,636.05 points), and the Foreign Share Index (FSI) ended at 59,748.59 points (previous week: 59,747.60 points). The upward movement in the MASI was driven by share price gains in FDH Bank, ICON, Illovo, MPICO, NBM, NITL, Standard Bank, TNM, FMBCH and OMU. A total of 5.96 million shares were traded during the week, generating a market turnover of K6.12 billion across 613 trades. (*Source: MSE*)

4. **Local Market Developments**

   The central government budget deficit surged by 130.1% to K300.0 billion in June 2025, up from K130.4 billion in May 2025. This widening gap was driven by a sharp rise in total expenditure, which increased by 14.6% from K565.6 billion to K648.4 billion, largely due to higher recurrent spending. However, total revenue fell by 20% from K435.1 billion to K348.4 billion, weighed down by declines in domestic revenue, tax receipts, and grants. (*Source: RBM*)

5. **Regional Developments in the Week**

   Botswana has announced it will allow its pula to devalue by 2.8% over the next year, up from the 1.5% rate set in December 2024, responding to economic pressures from a prolonged slump in the global diamond market. This adjustment, approved by President Duma Boko, aims to boost the competitiveness of domestic goods and services while moderating demand for foreign exchange to preserve dwindling reserves. The country's foreign exchange reserves, once covering over 10.0 months of imports, have fallen to a record low of 5.2 months, reflecting ongoing macroeconomic challenges. Despite this, Botswana has avoided the severe foreign exchange shortages seen in some other African nations. (*Source: CNBC Africa*)

6. **Global Developments in the Week**

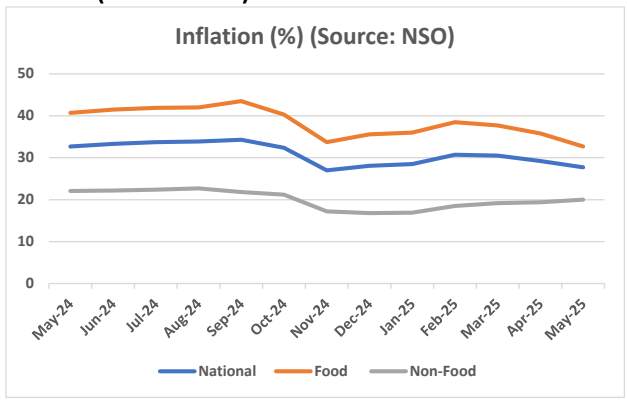
   China's factory-gate deflation deepened in June, with producer prices falling by 3.6% year on year, the steepest drop since mid-2023, as weak domestic demand and global trade tensions weigh heavily. Consumer prices inched up only slightly, failing to offset broader deflationary pressures. The growing gap between falling factory prices and sluggish consumer inflation highlights persistent economic headwinds. Policymakers face mounting pressure to boost stimulus and prevent a deeper slowdown, as the risk of prolonged deflation clouds the outlook. (*Source: Reuters)*

	Div yield %	P/E	P/BV	04-Jul-25		11-Jul-25
Counter				MK/Share		MK/Share
AIRTEL	1.57	32.81	43.64	127.41		127.41
BHL	-	(62.42)	1.32	14.55		14.55
FDH Bank	1.03	42.73	32.49	350.19	↑	458.61
ICON	1.62	4.90	0.82	17.92	↑	17.93
ILLOVO	0.28	56.47	8.59	1,791.22	↑	1,791.28
MPICO	2.23	5.18	0.68	19.02	↑	19.25
NBM	1.94	29.67	11.30	6,200.45	↑	6,500.02
NBS Bank	1.56	27.91	18.18	700.00		700.00
NICO	2.31	12.53	5.80	865.00		865.00
NITL	1.23	4.08	1.65	830.02	↑	900.00
PCL	0.22	9.48	1.76	5,100.00		5,100.00
Standard Bank	1.35	32.61	10.84	12,000.00	↑	12,000.01
Sunbird	3.71	8.62	1.31	350.01		350.01
TNM	-	39.58	7.68	29.30	↑	34.50
FMBCH	0.30	24.94	8.96	1,199.69	↑	1,199.71
OMU	3.31	16.33	2.17	2,500.03	↑	2,500.04
DSI	N/A	N/A	N/A	249,636.05	↑	265,426.83
FSI	N/A	N/A	N/A	59,747.60	↑	59,748.59
MASI	1.19	25.79	8.52	333,128.04	↑	350,875.20

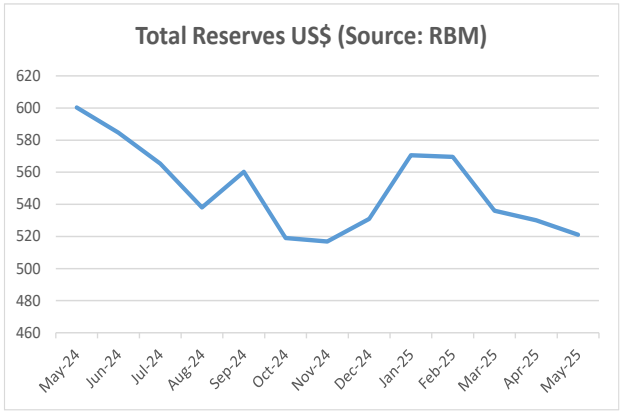
Stock Market (Source: Malawi Stock Exchange)

MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

Inflation (Source: NSO)



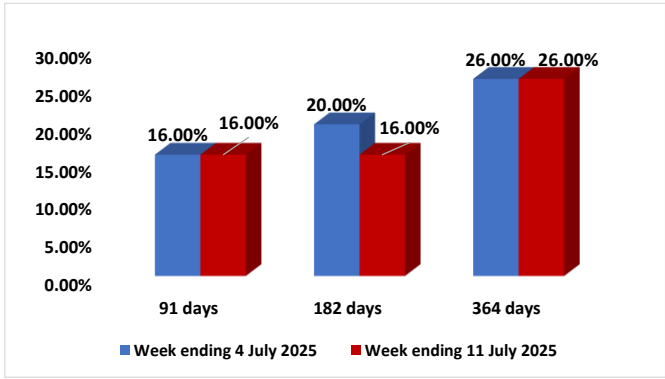
Foreign Exchange Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	4-Jul-25	11-Jul-25	% Change
MK/US Dollar	1,734.01	1,734.01	0.00%
MK/GBP	2,440.61	2,417.39	0.95%
MK/ZAR	101.70	100.42	1.25%
MK/EUR	2,103.41	2,085.55	0.85%

Government Securities for week ending 11 July 2025 (Source: RBM)



TENORS	VOLUME (K' BILLION)	AVERAGE YIELD (%)
182-days	17.86	16.00
364-days	8.01	26.00

Real GDP Growth Projections				
	2022	2023	2024	2025
EIU	0.70%	1.60%	1.30%	1.60%
IMF	0.90%	1.50%	1.80%	2.40%
WORLD BANK	0.90%	1.40%	1.80%	2.00%
GOVERNMENT	1.19%	1.50%	1.80%	3.20%
Average Real GDP	**0.92%**	**1.50%**	**1.68%**	**2.30%**

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